

Appendix

Example of Conversion Calculation of Deposit in non-US Dollar

A Customer obtains a demand deposit account in Bank “XYZ” amounting 10.000 Singapore Dollar (SGD) with an interest rate of 1,25%. Assuming that the applicable interest rate for US Dollar (USD) is 1,00%, the basic saving and interest rate under Government guarantee shall be as follows:

- Nominal conversion of demand deposit in SGD 10.000 is $\text{SGD } 10.000 : 1,6692 = \text{USD } 5.991$ (assuming the rate is: $\text{USD } 1 = \text{SGD } 1,6692$).
- Annual SGD demand deposit interest is $10.000 \times 1,25\% = \text{SGD } 125$ or by conversion shall be $\text{SGD } 125 : 1,6692 = \text{USD } 74,9$.
- The guaranteed annual SGD demand deposit interest is $\text{SGD } 10.000 \times 1,00\% = \text{SGD } 100$ or after conversion to USD is: $100 : 1,6692 = \text{USD } 59,9$.

Therefore, SGD demand deposit under guarantee shall be amounting the basic amount after conversion, which is USD 5,991 added by the rate conversion by using the current US dollar interest rate of USD 59,9.

On the other hand, the difference SGD demand deposit interest exceeding the maximum USD demand deposit under guarantee, that is $\text{USD } 74,9 - \text{USD } 59,9 = \text{USD } 15,0$, shall not be put under guarantee.